



DFAS: “Your Financial Partner @ Work”

TOM BLOOM
Director, DFAS

DFAS Mission

“Provide responsive, professional finance and accounting services to the Department of Defense”



Ultimately, success is defined by how well we support commanders and the individual Soldier, Sailor, Airman, Marine, DoD Civilian, military retiree and annuitant.



World's Largest Finance and Accounting Operation!

Annual figures

- 5.4M military, civilians, retirees, annuitants paid
- \$288B in disbursements
- \$222B in Foreign Military Sales Trust Fund
- \$162B Retirement Trust Fund manager
- 100M accounting transactions
- 14M invoices paid
- 5.4M travel payments
- 156 active DoD appropriations

Accountable Performance

Customer-Focused



**Operational
Excellence**

- **Annual performance contract with the Defense Management Council**
- **Criteria: standards and goals to demonstrate continued improvement of financial management operations and reduce costs**
- **Accomplishment requires strong partnership with customers**
- ***FY00: Met 48 of 57 metrics; total of 47 FY01 metrics***

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DFAS “Unqualified” Audit Opinion

- First DoD operational entity to receive “unqualified” opinion on its financial statements (FY 2000)
- Audit Committee structure added value
- Springboard toward further assisting all DoD components in obtaining “unqualified” opinions
- Partnership to build quality “up front” is critical

DFAS Vision

- World-class provider of finance and accounting services, with a strong corporate identity
- Trusted, innovative financial advisor
- Employer of choice, providing a progressive and professional work environment
- Competitive, best value to customers

Customer Focused Organization - Support of Navy

- **DFAS Business Evolution structure**
- **Customer satisfaction - Customer Service Reps**
- **Ship-Rider Program**
- **Partnership w/ personnel and logistics communities**
- **Employee/Member Self Service**
- **Defense Military Pay Office (DMO) Suite**
- **Customer service contact centers**
- **DIMHRS**
- **Billing rate incentives**

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Operational Excellence

- **Quality is Job #1**
- **Performance metrics**
- **End to end process review; root cause analysis**
- **Partnerships with customers**
- **Union partnership**
- **DFAS Business Evolution facilitates quality**
- **Delivering the right systems, at the right time, at the right cost**
- **Maintenance of legacy systems**

Competitive Sourcing Program

- **Retiree & Annuitant Pay, Civilian Pay, and Security Assistance Accounting competitions in progress**
- **Ultimate goal: Better Service, Lower Cost**
- **Used a senior level working group consisting of our business partners**
- **Will meet DoD A-76 targets**

DFAS Board of Advisors

- **Approved by DEPSECDEF**
- **Rescheduling first meeting for 26 or 27 June 2001 (T)**
- **Better service; lower cost; accountability**
- **Membership:**
 - **Vice Chairman, Joint Chiefs of Staff**
 - **Service Under Secretaries**
 - **Service Vice Chiefs; Asst Cmdt, Marine Corps**
 - **Under Secretary of Defense (Comptroller)**
 - **Four private sector representatives**
 - **Director, DFAS**
 - **Service FMs participate as observers**

DFAS Business Evolution (DBE) - Reorganization

- **Instituted a business philosophy and structure to enable DFAS to provide world class service**
- **Established Accounting Services, People Pay, and Commercial Pay business lines**
- **Single SES advocate responsible for customer satisfaction**
- **Centralized responsibility for support activities -- RM, IT, HR, and Admin**
- **Established Vendor Pay and Travel Pay product lines 1 April 2001**

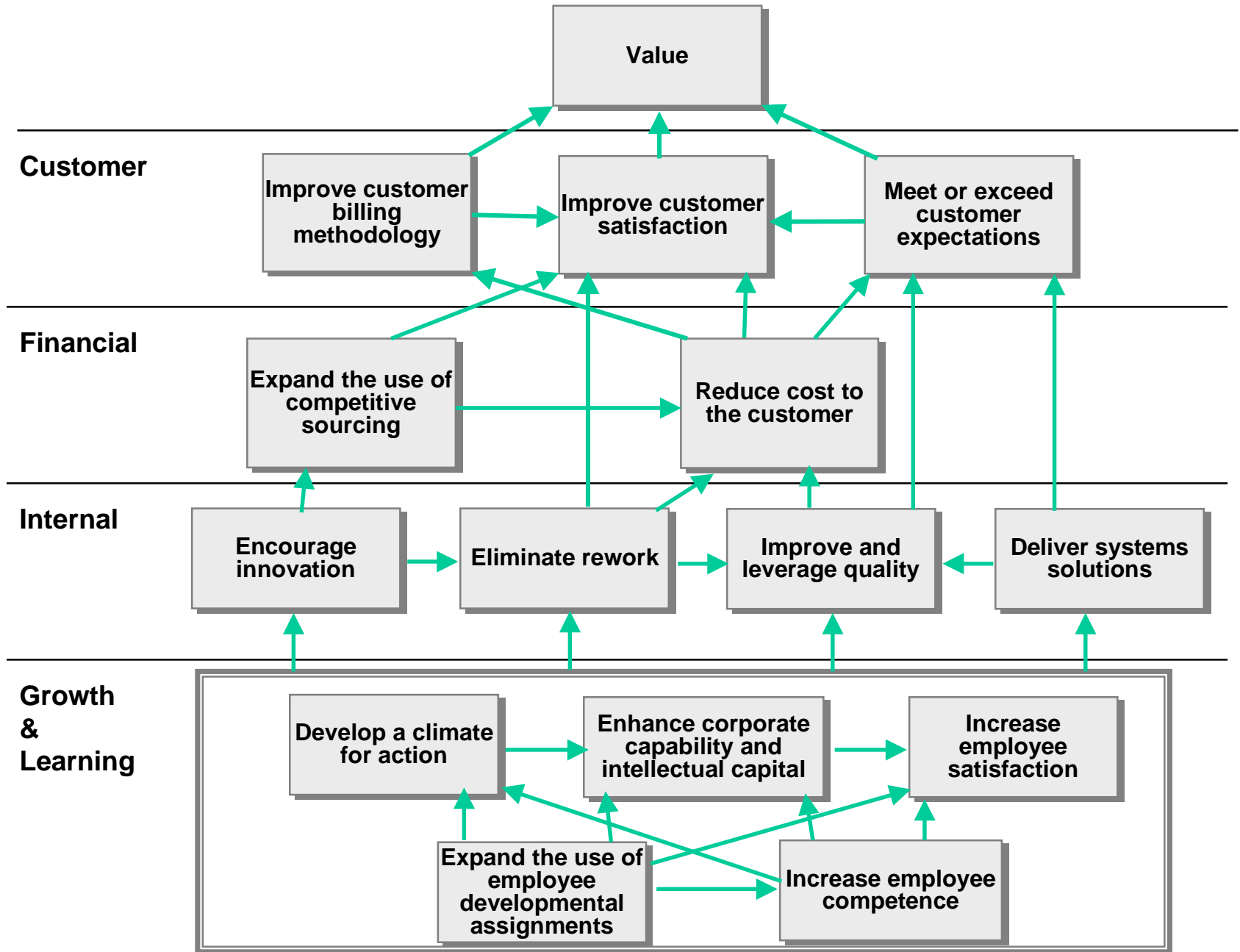
DBE Benefits to DFAS Customers

- **Strengthen customer relationships**
 - provides a single advocate who pursues customer interests across the Agency
 - tailors operational and automated system solutions to customer requirements
 - applies DFAS-wide assets to support each customer's needs
- **Provide high quality products**
 - maintains an operations focus without distractions - centralizes management of support functions - personnel, resource management, administration
 - applies dedicated SES level accountability to improve critical business functions
- **Lower the cost of financial services**
 - capitalizes on best business practices
 - reduces overhead by streamlining support functions
 - provides standardized organization, process, tools and methodology for performance measurement

DFAS Strategy / Balanced Scorecard

- **Objective: Ensure DFAS is a strategy-based and customer-focused organization, continually creating value**
- Based on assessment of current strengths, weaknesses, opportunities, and threats
- Balanced Scorecard approach
- Focus on four major areas:
 - Customers
 - Quality
 - People
 - Systems and processes

DFAS Corporate Balanced Scorecard Map



The DFAS Journey - Creating value

The 1990's

Year 2000

Beyond 2000

Service Provider
Monopoly

Controlled
Customer Base

Geographically-based
Structure

Disparate Systems

Stovepiped Business
Practices

Inherently Governmental
Operations

Value-added Services

Customer-centric Model

Business Line Focus

Fewer, More Modern
Systems

Interdependent Business
Practices

Competitive Sourcing

Provider of Choice

Customer Partnerships

Business Line Matrix
Management

System Enablers

Seamless Business
Practices

Business Alliances

**World Class
Organization**

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